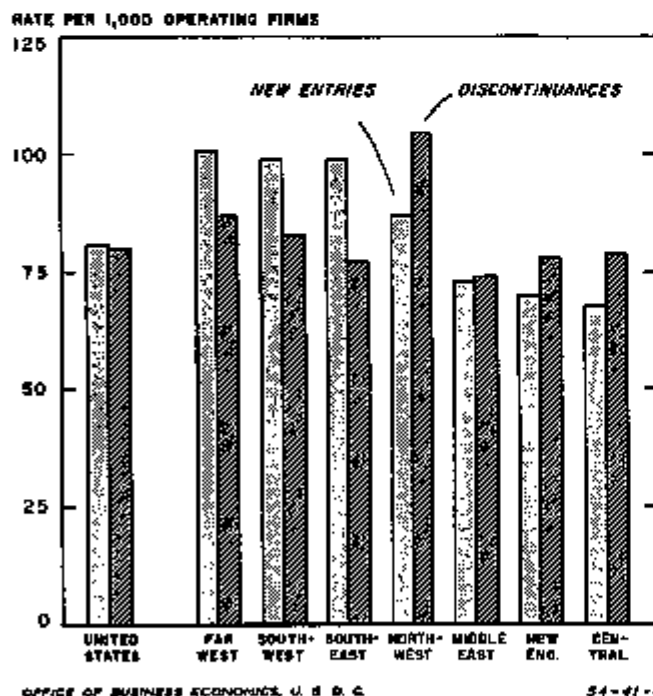


State Distribution of Business Concerns

THE United States had 4.2 million concerns in operation at the beginning of 1954—virtually the same total as in the previous year. This stability is in contrast to the earlier postwar period when successive year-to-year increases resulted in a one-third rise in the number of operating concerns from the reduced number of the war period. The aggregate within each of the regions of the United States also remained relatively stable during 1953, although some moderate differential movements did occur.

Business Population

Regional Entrance and Discontinuance Rates, 1953



The Southeast showed a further increase last year of 15,000 firms, or more than 2 percent. In both the Far West and Southwest—the only other regions to record gains—the total number of private nonfarm businesses increased 1½ percent in 1953. Only in the Far West did the increase of last year exceed that of the year before. These gains in number of operating firms were largely balanced by minor losses in other regions with the largest decline—13,000 firms or 1 percent—occurring in the Central States.

The stability of the total in 1953 was, of course, associated with about equal rates of new firm formation and of business discontinuance, as may be seen in the chart opposite. The regional variation in business turnover rates was less in 1953 than in any other year since 1944—the earliest year for which such information is available. There was a slight decrease in 1953 from the previous year in the rate of new firm formation in every region and, except in the Far West, a slight increase in the rate of business discontinuance.

Two regions of the United States—the Middle East and the Central States—each account for roughly one-quarter of the country's business concerns, population and income of individuals. About 15 percent of the business population is in the Southeast and 11 percent in the Far West. The Southwest, Northwest and New England together account for about one-fifth of the total number of firms.

In terms of number of operating businesses, New York has the largest number—544,000. California is next with 343,000, followed by Illinois, 259,000, and New Jersey, 255,000. At the other end of the scale are Nevada with 7,000 firms and Wyoming with 8,000.

The statistics throughout this report cover number of concerns regardless of size. In 1951, the latest year for which a size distribution of business concerns is available, three-fourths of all firms had fewer than four paid employees while 5 percent of the firms had 20 or more employees. Less than one-tenth of 1 percent employed 1,000 or more.

Changes by industries

A small increase in the number of wholesalers from the beginning of 1953 to the beginning of 1954 was a little more than offset by a decrease among retail trade firms, while the number of businesses in the service industries remained unchanged. The regional pattern of change in the business population as a whole is largely a reflection of the pattern within trade and service fields which account for two-thirds of all firms. The number of trade and service businesses edged up slightly in the Southeast, Southwest, and Far West, while the number in these industries in each of the remaining regions remained unchanged or declined slightly.

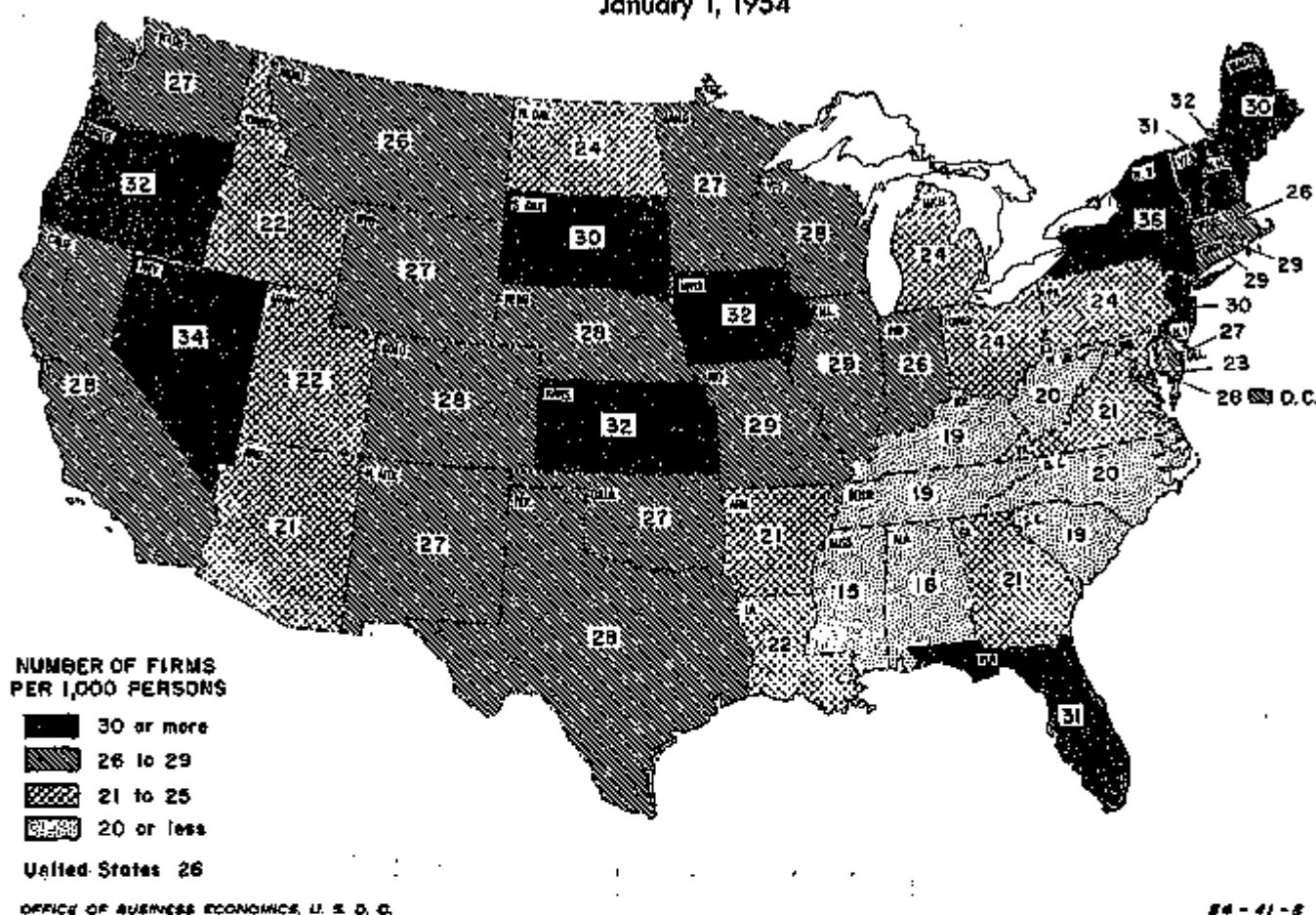
The picture differs somewhat among the other major industry divisions. The rate of growth of contract construction concerns continued to far exceed that for any other major industry, though slowing in 1953 to somewhat over 3 percent—about half that of the previous year. All regions except the Northwest shared in the overall gain of 14,000 construction firms last year.

The number of manufacturing companies last year decreased by 5,000 firms, or 1½ percent, with nearly one-third

NOTE.—MISS CHURCHILL IS A MEMBER OF THE BUSINESS STRUCTURE DIVISION, OFFICE OF BUSINESS ECONOMICS.

Firms in Operation Per Capita

January 1, 1954



of the decrease accounted for by the Central States. Declines in the number of manufacturers occurred in all regions except the Southwest.

Basis of estimates

This article presents revised estimates of the distribution of business concerns by States, utilizing the latest data available from the Bureau of Old-Age and Survivors Insurance, the Internal Revenue Service, and the Bureau of the Census. The State data are estimated within the framework of the regular Office of Business Economics series on the United States totals as revised early this year.¹

Table 1 shows estimates of business concerns by States and regions as of January 1 for the years 1944 through 1954. The number of firms in operation is shown by selected industry divisions and by States and regions for the period 1945-51 in table 5; the industrial breakdown of the regional data is shown through January 1, 1954, in table 6. Table 7 provides a finer industrial breakdown by States for 1951—the latest period for which such detailed information is available. The State and regional distributions of the annual number of new, transferred, and discontinued businesses are presented only for all industries combined (tables 1, 2, and 3).

1. "Recent Business Population Movements," SURVEY, January 1954, presents revised estimates of the business population for the country as a whole by industry as well as notes on the sources and methods used in the derivation of these series. See also, "Size Characteristics of the Business Population," SURVEY, May 1954. This article contains estimates of the number of firms in operation and the associated paid employment by industry and employee-size classes.

In using the State information shown here it should be borne in mind that the data represent estimated totals rather than precise counts of firms. It should be noted that the margin of error increases with the amount of detail shown and that estimating errors are relatively greater in the case of levels for any single year than in the case of year-to-year movements.

Geographical Distribution

The long term growth of business firms in the United States has been closely associated with the growth of the population. However, the rate of growth since 1900 has been somewhat greater in business concerns than in population, as a result of increased industrialization and specialization within the economy. Except for sharp dips during periods of war and economic depression the number of firms has increased quite steadily from about 21 per 1,000 persons in 1900 to 26½ currently.

The geographical distribution of firms within the United States is likewise associated with the geographical distribution of population. There is a tendency for business firms to gravitate toward centers of population, while, on the other hand, employment opportunities are furnished by firms in business.

Differences in various factors which are primarily economic in nature, however, do give rise to considerable variation among the States in per capita firms in operation as may be

seen from the chart on page 15. There are 36 firms in operation for every 1,000 inhabitants in New York; Nevada is second with 34 while Mississippi with only 15 is at the bottom of the scale. These three States occupy the same extreme positions in the range of State income payments per capita—emphasizing the prime effect on the geographical distribution of firms of the geographical distribution of income.

The Southeast, which contains States of low per capita income, shows up conspicuously on the map as an area of low per capita firms in operation. State differences in per capita income, however, do not entirely explain all the differences in per capita firms in operation. For example, the half dozen States with the highest per capita firms in operation do not in all cases correspond to the States with the highest per capita income.

Income an important factor

The chart on page 22 depicts the relationship between the number of firms in operation at the beginning of 1954 and income in 1953 by States. The relationship shown in this chart was tested for other years and found to be quite stable.

The deviations from central tendency on the chart are the result of a complex combination of interrelated factors such as: State differences in the average size of firms, in population density and the proportion of people in cities, in natural resources and the degree of industrialization and specialization. The fact that market areas in some cases cross State lines is also significant.

The largest positive deviation is found for Florida, where the business population is higher than would be expected on

Table 1.—Number of Firms in Operation, January 1, 1944-54 and Number of New and Discontinued Businesses, 1945-50, By States and Regions

	[Thousands]																						
	Firms in operation											New businesses					Discontinued businesses						
	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1945	1946	1947	1948	1949	1950	1945	1946	1947	1948	1949	1950
Continental United States.....	2,839.1	2,928.4	3,242.5	3,491.2	3,672.9	3,864.1	4,066.7	4,267.3	4,421.3	4,573.3	4,685.4	432.8	417.4	400.3	390.3	331.1	348.2	475.4	448.7	420.2	382.0	306.5	288.6
New England.....	203.7	208.4	229.9	266.6	265.9	271.1	274.3	272.1	278.7	273.0	276.4	23.4	44.2	26.6	20.7	15.0	20.1	8.0	11.6	12.3	15.6	18.3	18.2
Connecticut.....	41.4	44.1	49.3	54.7	56.6	57.7	58.0	51.0	61.0	62.6	63.8	7.1	8.8	6.2	4.3	4.0	1.9	2.5	2.3	3.3	4.3	4.8	
Maine.....	21.3	21.7	22.0	25.9	26.7	27.4	27.3	27.8	28.4	28.0	27.3	2.3	4.1	2.1	2.4	1.6	2.4	1.2	1.2	1.3	1.6	2.0	
Massachusetts.....	104.3	106.8	109.7	128.5	130.0	132.9	131.1	131.3	128.0	127.7	127.8	3.3	24.7	7.6	6.8	7.0	4.4	8.0	5.5	7.8	8.8	8.6	
New Hampshire.....	12.4	12.7	14.0	15.9	16.0	16.9	17.0	17.3	17.8	17.3	16.7	1.9	3.8	1.4	1.5	1.6	1.0	1.8	1.7	1.2	1.3	1.2	
Rhode Island.....	15.0	17.0	18.9	20.5	21.8	22.5	22.6	22.7	23.0	23.2	23.0	2.4	2.4	3.2	1.8	1.4	1.6	1.5	1.8	1.3	1.2	1.6	
Vermont.....	8.1	8.3	9.1	10.0	10.0	10.7	11.4	11.7	12.0	12.0	11.6	1.2	1.4	1.2	1.1	1.1	1.0	1.4	1.5	1.0	1.4	1.0	
Middle East.....	793.7	812.6	878.4	917.4	925.9	940.6	9,067.9	9,086.1	9,071.7	9,043.5	9,022.3	102.4	102.5	109.7	15.4	75.8	82.6	49.5	61.5	67.7	53.8	73.7	
Delaware.....	4.8	7.3	7.0	8.3	8.0	8.2	8.3	8.4	8.4	8.4	8.4	0.7	1.0	1.2	1.3	1.3	1.0	1.4	1.4	1.0	1.6	1.7	
District of Columbia.....	18.7	18.2	19.7	21.4	21.0	22.5	22.0	22.2	22.7	23.2	23.3	1.0	2.7	1.6	2.1	1.8	1.6	1.0	1.0	1.2	1.6	1.8	
Maryland.....	37.2	39.8	41.0	46.9	49.6	51.7	54.0	52.0	54.6	57.2	58.4	4.9	7.9	5.5	6.5	3.9	4.7	2.1	2.0	2.8	3.4	4.0	
New Jersey.....	109.3	111.5	120.0	138.2	144.4	148.4	149.7	151.2	152.3	154.1	154.2	16.0	22.2	14.2	12.1	10.4	11.4	8.9	8.8	6.0	8.2	9.1	
New York.....	414.1	424.9	465.8	585.1	523.3	537.5	534.4	540.6	544.3	544.3	544.3	54.8	78.7	51.8	48.1	38.0	43.7	23.8	29.4	34.0	32.7	42.3	
Pennsylvania.....	180.0	187.9	200.7	223.6	214.2	232.1	234.0	233.7	232.9	234.6	234.6	20.4	23.1	20.2	21.9	18.8	19.9	7.5	10.4	10.5	14.0	17.3	
West Virginia.....	28.3	28.9	30.0	32.7	37.8	39.0	39.4	39.2	39.3	38.1	37.9	3.7	5.5	4.0	4.8	3.7	3.2	1.7	1.8	2.0	3.4	3.4	
Southeast.....	398.8	421.5	453.3	526.2	508.2	490.8	498.1	428.0	445.1	472.4	487.3	59.8	101.8	76.4	71.0	61.5	68.1	28.1	38.9	34.4	48.4	44.3	
Alabama.....	34.8	30.8	38.0	46.4	46.8	48.2	49.0	50.8	53.8	54.1	57.0	4.6	9.0	4.1	5.8	6.0	4.8	3.0	2.9	2.7	4.4	3.7	
Arkansas.....	24.2	26.0	28.2	32.6	34.0	34.8	36.0	36.0	36.7	38.0	39.0	4.3	8.6	4.3	4.2	3.6	3.3	2.1	2.0	2.5	4.0	2.7	
Florida.....	40.0	40.8	58.5	69.6	70.7	81.0	84.0	88.0	91.9	98.0	104.0	12.0	16.1	14.4	13.7	18.4	12.1	4.2	6.2	7.1	9.5	7.8	
Georgia.....	48.7	46.8	48.6	57.6	50.4	61.4	68.5	66.0	68.4	72.3	78.1	5.7	12.6	6.1	6.3	6.0	2.3	2.6	3.7	3.1	4.5	4.8	
Kentucky.....	35.2	37.1	40.1	46.5	50.1	52.4	52.5	54.7	56.5	58.2	56.7	5.3	7.9	7.4	6.3	4.0	4.1	2.3	2.4	2.0	4.0	3.8	
Louisiana.....	33.2	34.0	38.0	43.7	47.4	52.0	54.2	54.2	56.6	58.0	62.0	5.1	8.3	6.2	6.2	6.4	5.8	2.6	2.0	2.6	3.8	4.7	
Mississippi.....	31.6	32.4	28.5	28.4	30.9	31.4	32.0	33.3	33.4	33.6	32.9	3.0	4.7	4.2	3.2	3.0	2.0	1.6	1.0	1.0	2.6	1.8	
North Carolina.....	47.0	48.9	52.2	62.1	62.0	68.7	71.8	74.2	77.7	78.0	82.0	4.8	12.0	8.1	7.6	7.2	6.7	2.8	3.1	3.3	6.7	4.1	
South Carolina.....	34.3	35.4	37.1	38.7	32.4	34.5	30.0	37.4	38.9	46.2	46.2	3.0	4.9	4.4	2.4	3.0	1.3	1.3	1.4	1.8	2.4	1.0	
Tennessee.....	42.1	45.1	47.8	62.5	50.8	58.7	61.0	61.7	62.8	63.3	62.8	5.5	9.0	6.4	6.2	5.8	6.2	2.9	2.3	3.0	4.3	3.6	
Virginia.....	45.3	47.0	50.5	66.9	52.0	67.8	68.3	71.5	73.1	73.5	74.1	5.0	8.7	8.7	8.0	6.3	7.8	3.7	3.1	2.0	4.8	4.0	
Southwest.....	188.8	211.8	231.2	262.9	261.1	291.2	300.7	310.4	321.5	331.0	336.8	37.8	47.4	43.3	33.6	33.0	26.7	17.4	25.1	26.5	23.8	23.1	
Arizona.....	9.7	11.0	13.5	18.4	10.3	19.0	19.8	19.9	20.1	20.8	20.8	2.8	4.3	4.3	2.0	3.5	2.4	1.0	1.7	2.6	2.4	2.3	
New Mexico.....	9.8	10.0	11.0	14.0	15.0	16.9	16.5	17.2	18.2	19.5	20.0	2.4	3.3	2.5	2.3	2.1	2.3	1.0	1.2	1.4	1.6	1.6	
Oklahoma.....	30.2	40.5	43.1	49.7	52.4	63.8	64.5	66.2	67.7	68.3	69.0	7.9	7.6	7.3	8.0	8.0	5.7	2.6	3.1	4.5	3.8	3.0	
Texas.....	133.3	140.2	103.7	181.0	197.4	202.2	200.0	217.2	226.2	232.0	230.4	23.3	32.2	29.0	23.4	23.0	22.7	10.8	12.0	15.5	16.0	16.4	
Central.....	822.4	887.9	929.2	1,026.8	1,047.4	1,102.4	1,183.2	1,111.8	1,118.3	1,123.6	1,130.6	107.8	148.8	108.9	114.4	74.8	80.2	45.6	54.0	55.7	66.7	71.0	
Illinois.....	221.6	228.3	241.8	286.8	270.5	273.5	271.3	270.1	289.5	271.0	268.0	26.0	38.2	27.8	22.1	17.0	18.1	11.9	13.0	13.7	18.0	19.4	
Indiana.....	73.5	77.7	83.1	91.6	90.0	90.8	100.7	102.7	102.7	106.3	103.7	9.5	13.9	11.0	9.2	7.9	7.7	4.1	5.4	5.8	6.1	6.8	
Iowa.....	50.0	59.0	64.2	71.7	75.7	77.3	78.1	79.1	80.7	82.0	82.0	7.6	11.0	7.4	6.8	5.1	5.0	2.2	3.5	3.4	4.1	4.4	
Michigan.....	115.0	118.7	130.5	147.4	158.7	160.3	161.8	164.3	165.4	164.2	164.2	18.6	20.8	18.5	16.4	13.8	14.2	7.7	9.4	8.2	11.8	11.7	
Minnesota.....	49.4	53.4	67.2	75.2	70.0	81.0	80.9	81.9	82.8	83.0	82.8	8.0	11.8	8.4	6.5	4.8	5.5	3.1	3.8	4.0	6.0	5.0	
Missouri.....	60.4	61.7	68.5	102.9	107.3	109.0	100.8	111.5	114.0	115.5	117.3	9.0	13.6	10.7	8.7	8.8	8.8	5.2	6.1	6.3	7.8	7.1	
Ohio.....	143.6	151.7	163.0	185.2	194.2	202.0	202.4	204.2	204.2	202.3	197.5	10.8	28.3	19.0	18.2	14.4	15.5	7.4	8.5	9.7	9.4	14.0	
Wisconsin.....	70.9	76.4	83.1	92.4	90.0	98.8	98.0	98.9	90.2	90.4	90.4	10.2	12.9	8.2	7.5	5.7	5.5	2.2	3.8	4.5	4.7	5.0	
Northwest.....	155.4	165.1	183.0	206.2	218.8	222.5	228.5	230.0	232.2	234.2	236.1	27.2	35.4	27.7	19.8	19.5	19.0	10.1	12.1	15.3	16.3	16.4	
Colorado.....	23.8	26.4	30.8	34.0	36.3	37.2	38.3	38.3	40.1	39.0	39.0	6.3	8.7	6.1	4.3	4.1	4.3	1.8	2.4	2.8	3.3	3.0	
Idaho.....	8.5	12.5	12.1	14.3	16.0	15.2	16.0	16.7	16.7	14.8	13.4	2.0	3.2	2.1	1.7	1.6	1.8	1.0	1.0	1.4	1.0	1.0	
Kansas.....	38.0	42.0	47.0	52.7	56.7	59.3	57.2	58.5	60.6	62.7	63.4	7.0	8.1	6.5	4.2	4.0	4.3	2.6	2.9	3.4	3.0	2.8	
Montana.....	13.4	13.0	15.1	16.8	18.0	18.3	18.2	18.0	17.8	17.5	17.5	2.0	2.8	2.5	1.7	1.4	1.4	1.0	1.0	1.2	1.4	1.0	
Nebraska.....	28.7	20.7	32.7	36.6	38.2	38.5	39.2	39.3	38.1	38.4	37.9	4.6	5.7	5.8	2.3	2.3	2.6	1.6	1.9	2.1	2.0	2.1	
North Dakota.....	11.0	12.0	12.6	14.1	14.8	15.3	15.1	15.4	15.3	15.1	15.0	1.1	2.3	1.8	1.2	1.2	1.0	1.0	1.0	1.0	1.0	1.0	
South Dakota.....	13.0	14.0	14.8	16.1	17.8	18.0	18.0	18.0	18.0	18.0	18.0	1.2	2.4	2.3	1.6	1.4	1.4	1.0	1.0	1.0	1.0	1.0	
Utah.....	10.3	10.4	11.8	14.0	13.0	15.0	15.0	15.0	15.0	15.0	15.0	1.1	3.0	1.9	1.3	1.5	1.5	1.0	1.0	1.0	1.0	1.0	
Wyoming.....	8.0	8.0	8.9	7.8	8.3	8.5	8.7	8.0	9.0	9.0	8.4	1.3	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Far West.....	266.5	308.5	340.8	400.5	432.2	448.9	442.8	448.8	457.5	462.5	469.3												

the basis of the relationship with income alone. This is largely a result of the extent to which this State caters to vacationists, particularly in January to which the business population estimates pertain. The number of service concerns, including hotels, motels and amusement places, is comparatively high in Florida. The largest negative deviations on the chart are found for Maryland and Delaware.

With very few exceptions, in the States which indicate a higher number of concerns than would be expected from a straight line average relationship to income, a higher than average proportion of the States' inhabitants reside in rural areas; conversely, in nearly all of the States falling below the line, a higher than average proportion of the population was classified as urban in the 1950 census. This strongly suggests that areas in which the human population is dispersed tend to be served by a larger number of smaller concerns.

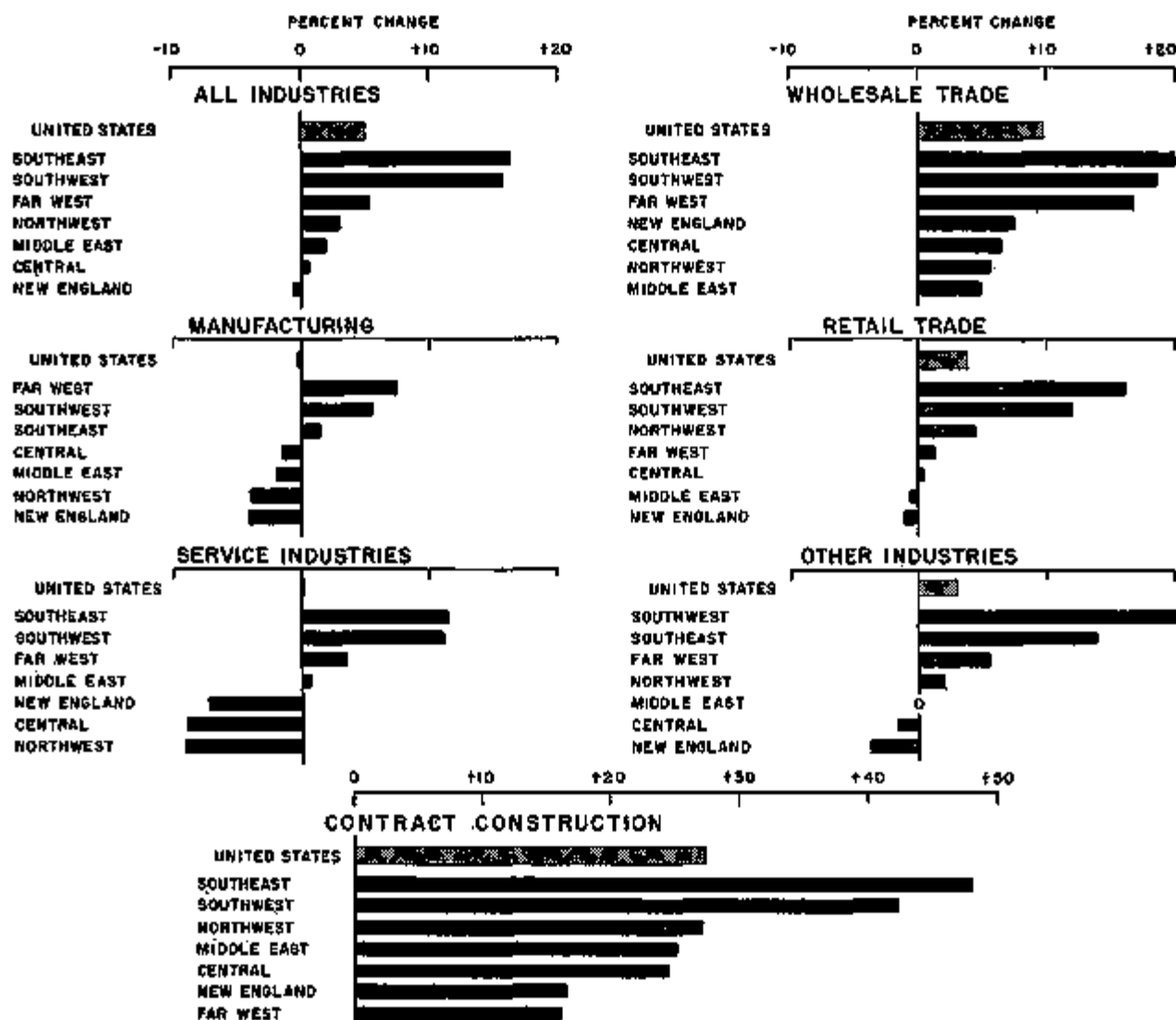
Regional changes

The impact of World War II brought about a sharp decline in number of operating concerns and the total reached its lowest point about the beginning of 1944. Since then a net increase of about 1½ million firms has occurred. Growth was particularly rapid during the early postwar years; nearly one-third of the decade's total net increase occurred in 1946 with the first five years of this 10-year period accounting for 85 percent.

Under the mildly recessionary conditions of 1949 the net gain amounted to about 25,000 firms, while the annual increment during each of the years 1950 through 1952 was roughly 55,000 firms. 1953 saw little change.

During the period 1944 through 1948, all regions shared in the 40 percent overall increase in number of operating concerns. The Far West led with a two-third gain—followed by the Southwest, Southeast and Northwest with relative

Percent Change in Number of Firms in Operation, January 1, 1949 to January 1, 1954, by Major Industry Divisions and by Regions



OFFICE OF BUSINESS ECONOMICS, U. S. D. C.

54-41-7

increases of 54, 48, and 43 percent, respectively. The number in each of the remaining regions—New England, the Middle East and Central States—increased by about one-third during this period.

During the latter five year period from 1949 through 1953 the increase in total number of businesses dropped to 5 percent, and the variation among the regions has been much more pronounced. The Southeast and Southwest have reported substantial increases—each up 16 percent. The Far West, where the rise was about average, was third in rate of growth among the regions during this period, while in New England and the Central States the regional totals remained relatively unchanged.

Except for the slight decline in New England in 1951, at least some operating firms were added in each region during each of the three years 1950-52. In 1949 and again in 1953, however, some of the regions underwent a net loss in number of operating concerns. New England and the Middle East declined slightly in both years, the Far West in 1949 and the Northwest and Central States moved down in 1953.

Table 2.—Number of Transferred Businesses, 1945-50, by States and Regions

	(Thousands)					
	1945	1946	1947	1948	1949	1950
Continental United States.....	473.1	690.3	671.9	601.3	494.8	419.4
New England.....	28.7	28.4	28.7	22.9	21.7	21.0
Connecticut.....	5.1	7.0	8.0	8.1	5.8	5.7
Maine.....	2.6	3.1	2.7	2.4	2.1	2.0
Massachusetts.....	0.1	12.0	12.0	10.7	9.0	10.4
New Hampshire.....	1.8	2.2	1.9	1.8	1.4	1.5
Rhode Island.....	1.3	2.4	2.3	1.8	1.0	1.5
Vermont.....	1.0	1.8	1.3	1.1	.9	.8
Middle East.....	87.3	132.2	150.7	100.1	88.8	83.2
Delaware.....	.8	1.0	1.0	.8	.9	.5
District of Columbia.....	2.5	3.1	2.0	2.2	2.1	2.3
Maryland.....	4.3	6.5	5.3	4.0	4.6	4.5
New Jersey.....	13.0	16.0	16.4	14.0	12.7	11.0
New York.....	45.0	64.5	55.8	60.7	44.7	42.9
Pennsylvania.....	17.4	25.2	22.5	22.2	19.3	17.8
West Virginia.....	4.5	6.5	5.8	5.6	4.4	3.8
Southeast.....	72.7	91.8	53.8	74.6	65.9	62.7
Alabama.....	5.5	7.4	6.0	6.1	5.3	5.0
Arkansas.....	0.3	7.5	6.4	5.5	4.5	3.9
Florida.....	12.9	15.0	14.0	14.8	12.5	11.5
Georgia.....	7.5	9.4	8.3	8.5	8.3	8.2
Kentucky.....	6.8	8.1	8.3	7.5	6.4	6.6
Louisiana.....	4.0	6.7	5.2	6.0	5.3	4.0
Mississippi.....	4.3	4.5	4.5	4.1	3.5	3.1
North Carolina.....	5.0	7.2	8.6	7.4	8.5	8.4
South Carolina.....	3.2	4.4	4.1	2.6	2.5	2.5
Tennessee.....	8.4	11.1	8.2	7.5	8.8	6.8
Virginia.....	0.8	9.8	8.7	8.2	7.1	7.0
Southwest.....	49.7	81.9	62.3	65.5	60.4	36.2
Arizona.....	3.1	4.8	4.4	4.0	3.5	2.3
New Mexico.....	3.4	4.6	4.0	3.2	2.5	2.7
Oklahoma.....	0.7	11.3	8.4	7.6	6.7	7.3
Texas.....	33.6	40.3	36.3	31.1	27.4	23.9
Central.....	135.2	188.5	160.4	142.3	129.2	119.3
Illinois.....	32.0	43.4	34.7	35.2	28.4	27.8
Indiana.....	12.4	15.7	14.6	12.3	10.1	11.9
Iowa.....	9.1	14.0	12.5	10.5	8.5	9.1
Michigan.....	23.0	28.1	25.9	21.7	18.9	18.1
Minnesota.....	10.1	13.5	12.2	10.8	9.2	9.1
Missouri.....	14.5	19.8	17.8	15.8	13.4	11.7
Nebraska.....	22.7	31.0	28.0	24.5	22.5	21.5
Ohio.....	16.4	14.0	13.5	12.8	10.3	10.0
Northwest.....	11.3	46.6	42.7	36.4	34.7	34.6
Colorado.....	4.7	8.0	7.5	6.2	6.8	6.6
Idaho.....	2.0	3.7	3.3	2.4	2.2	2.7
Kansas.....	9.0	13.0	11.1	8.8	7.1	7.2
Montana.....	3.3	4.2	3.0	3.1	2.0	2.8
Nebraska.....	4.2	7.0	6.5	6.7	4.8	4.4
North Dakota.....	2.1	2.9	2.8	2.5	2.0	2.1
South Dakota.....	2.8	3.3	3.3	2.7	2.0	2.0
Utah.....	1.8	2.6	2.4	2.1	1.8	1.8
Wyoming.....	1.6	2.1	2.0	1.8	1.4	1.4
Far West.....	73.7	95.6	94.4	78.8	67.9	64.4
California.....	43.0	70.5	68.8	58.0	49.6	44.8
Nevada.....	1.2	7.0	1.5	1.3	1.2	1.2
Oregon.....	3.2	9.5	9.7	8.5	7.6	6.4
Washington.....	11.4	15.0	13.4	11.0	9.8	9.0

Source: U. S. Department of Commerce, Office of Business Economics estimates based primarily on data from the U. S. Department of Health, Education and Welfare, Bureau of Old-Age and Survivors Insurance.

Over the past decade the proportions of all firms found in the Far West, the Southeast and the Southwest each increased by about 2 percentage points, while both the Middle East and Central States fell off by about the same proportion. The Northwest now has about the same relative share of all concerns as in 1944 while New England's share is about one-half percentage point lower.

Regional change within industries

From January 1, 1949, to the beginning of 1954, the total number of construction firms increased by one-fourth; wholesalers were up 10 percent and retail firms 4 percent, while the number of manufacturers and service businesses remained relatively unchanged. The all-industry pattern is generally reflected in the major industry divisions when regions are arranged from high to low with respect to relative changes in number of operating firms during this period, although some shifts do occur. The Southeast and Southwest lead in all divisions except manufacturing where the Far West gained more than any other region. In contract construction, on the other hand, the Far West gained relatively the least.

New England made its best showing within wholesale trade with a gain only slightly below that experienced in the country as a whole. Construction firms increased less than average in New England, and the substantial increase in business in other major industries during the past 5 years has been handled by a reduced number of concerns.

Comparison with prewar

Since 1944 is the earliest year for which State estimates on the total number of firms are available, no comparisons can be made between current regional and industrial patterns and those of the business population before World War II. However, for four major industry divisions—manufacturing, wholesale and retail trade and the service

Table 3.—Number of New, Discontinued and Transferred Businesses by Regions, 1944 and 1951-53

	(Thousands)							
Year	United States	New England	Middle East	South-east	South-west	Central	North-west	Far West
New businesses								
1944.....	331	16	67	49	38	52	20	50
1951.....	308	20	83	72	35	86	21	46
1952.....	364	20	82	71	35	83	23	50
1953.....	240	19	79	67	33	76	20	47
Discontinued businesses								
1944.....	175	9	43	26	15	47	10	25
1951.....	309	21	77	51	24	80	18	37
1952.....	306	19	71	48	25	78	21	45
1953.....	334	21	80	52	28	89	24	40
Transferred businesses								
1944.....	359	17	72	56	34	103	28	54
1951.....	378	18	72	59	36	111	28	55
1952.....	375	18	72	59	35	107	27	56
1953.....	357	17	71	58	33	97	26	54

Source: U. S. Department of Commerce, Office of Business Economics estimates based primarily on data from the U. S. Department of Health, Education and Welfare, Bureau of Old-Age and Survivors Insurance.

industries—information is available on the number of establishments or outlets enumerated by the Bureau of the Census in 1939. The same source provides information for manufacturing in 1947 and trade and services in 1948. Despite differences in industry definitions and scope between the two sets of data as well as between censuses, the broad outlines of the regional changes which have occurred in the business population over this period may be indicated by the changes which have occurred in the number of census establishments.

The regional distribution of Census establishments in trade and services is in quite close agreement with the regional distribution of the entire business population. In both periods the two largest regions—the Middle East and Central States—together accounted for somewhat more than half of the establishments. With respect to relative changes, Census information shows that the fastest growing regions from 1939 to 1947 (for manufacturing) and to 1948 (for trade and services) was the Southeast where the number of establishments in these industries increased 17 percent.

The Far West was second with an increase of 11 percent. Two regions increased more moderately: the Southwest by 7 percent and the Middle East by 3 percent. New England remained practically unchanged, while the number of establishments in the Central States and the Northwest declined by 2 percent and 5 percent, respectively. The order of the regions by relative changes in the number of establishments followed the overall pattern closely in each of the industry divisions for which information is available except in wholesale trade where the largest gains were made in the Middle East and New England.

The regional trends in recent years are similar to those from 1939 to 1947-48. It will be noted that, in general, the relatively fastest growing regions in terms of business population are those with the fewest firms per capita, and the regions gaining the least have higher than average per capita firms. Apparently there is a tendency for each of the regions to approach the national average in this respect.

Industry distribution

Within broad industry groups the number of firms within each State is also closely related to the State's population and income. Table 4 presents the 1951 percentage distributions of the total business concerns and of selected major industry divisions, and, for comparative purposes, distributions of the population, income payments and land area. Even a casual inspection of this table brings out the close correlation between firms, income and population.

The coefficients of correlation at the bottom of the table show that for each of these industry divisions the correlation between number of firms and income is slightly closer than the correlation between number of firms and population. Both relationships are slightly closer for retail trade than for the total—a not surprising result in view of the necessity for direct association between consumers and the firms operating in this field.

Industry variations in these coefficients serve to indicate industry differences in degree of geographical concentration. Although excellent relationships are found for each of the broad industry divisions shown in table 4, it will be noted that the lowest coefficients of correlation are found for manufacturing. The range is quite narrow, however, since the industry groupings are too broad to clearly reveal geographical areas of industrial specialization.

The industry detail provided by table 7, though still fairly broad, is somewhat more satisfactory in this respect. For example, the financial centers in New York City and

Chicago raise the proportion of firms found in the finance, insurance and real estate groups to 23 percent for New York and 12 percent for Illinois—substantially higher than the proportion of income and people found in these States. However, this industry also includes a large number of small firms which solicit insurance and sell real estate and are in fairly close relationship with income as well as with the

Table 4.—Percent Distribution of Number of Firms in Operation within Selected Major Industry Divisions by States and Regions, Jan. 1, 1951

	Firms in Operation						Human population	Total income payments	Land area
	All industries	Contract construction	Manufacturing	Wholesale trade	Retail trade	Service industries			
Continental United States.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
New England.....	5.63	8.84	6.38	4.90	5.71	6.28	5.71	5.18	2.12
Connecticut.....	1.50	2.20	1.47	1.07	1.51	1.47	1.13	1.33	1.67
Maine.....	.68	.44	1.11	.40	.73	.57	.60	.60	1.04
Massachusetts.....	1.33	3.62	2.23	3.48	3.15	2.80	2.97	3.12	2.41
New Hampshire.....	.48	.52	.88	.22	.45	.38	.37	.36	.30
Rhode Island.....	.50	.80	.88	.50	.65	.49	.30	.62	.83
Vermont.....	.20	.20	.38	.17	.30	.27	.28	.26	.34
Middle East.....	25.31	24.80	32.33	30.37	23.89	24.94	31.48	23.53	4.58
Delaware.....	.23	.20	.18	.16	.24	.28	.26	.21	.20
District of Columbia.....	.65	.47	.20	.46	.44	.80	.94	.53	.72
Maryland.....	1.30	1.55	1.00	1.23	1.33	1.28	1.26	1.57	1.70
New Jersey.....	3.72	4.80	4.38	2.59	3.08	3.35	3.76	3.22	3.83
New York.....	13.21	10.78	19.40	18.83	10.80	12.72	17.71	9.78	12.55
Pennsylvania.....	6.24	6.80	6.20	6.10	6.20	6.75	6.25	6.09	7.33
West Virginia.....	.90	.68	.76	.71	1.01	.87	1.38	1.31	.97
Southwest.....	15.44	13.24	15.35	14.87	18.87	16.50	12.58	21.08	14.16
Alabama.....	1.34	.81	1.40	1.11	1.30	1.32	1.03	2.02	1.20
Arkansas.....	.89	.60	.80	.81	1.02	.92	.84	1.26	.72
Florida.....	2.18	2.60	1.80	1.92	2.10	2.73	1.80	1.88	1.58
Georgia.....	1.61	1.19	2.85	1.63	1.70	1.70	1.19	2.28	1.58
Kentucky.....	1.35	1.17	.92	1.15	1.48	1.31	1.41	1.92	1.25
Louisiana.....	1.33	1.12	1.10	1.37	1.40	1.31	1.21	1.80	1.30
Mississippi.....	.33	.33	.03	.79	.00	.81	.28	1.43	.70
North Carolina.....	1.35	1.44	2.24	1.70	1.09	2.05	1.25	2.40	1.77
South Carolina.....	.93	.68	.87	.78	1.07	.94	.80	1.41	.86
Tennessee.....	1.32	1.23	1.41	1.48	1.08	1.65	1.15	2.17	1.40
Virginia.....	1.76	1.81	1.61	1.33	1.83	1.88	1.71	2.22	1.77
Southwest.....	7.43	8.17	4.35	7.34	7.71	9.81	7.26	7.53	6.58
Arizona.....	.49	.00	.28	.40	.00	.81	.33	.00	.32
New Mexico.....	.42	.48	.21	.32	.44	.32	.38	.40	.37
Oklahoma.....	1.38	1.28	.73	1.84	1.41	1.66	1.64	1.47	1.11
Texas.....	8.34	6.81	3.16	5.23	5.30	6.70	6.93	6.19	4.87
Central.....	27.43	27.29	24.83	25.08	28.02	25.24	28.42	25.51	23.46
Illinois.....	5.04	6.88	6.30	7.01	6.21	6.04	6.40	6.70	7.63
Indiana.....	2.48	2.42	2.03	2.04	2.81	2.28	2.19	2.04	2.70
Iowa.....	1.94	1.87	1.15	1.02	2.24	1.59	1.97	1.73	1.88
Michigan.....	4.04	4.63	4.01	3.54	4.40	3.88	2.97	4.20	4.71
Minnesota.....	2.67	2.12	1.67	2.15	2.10	1.70	1.87	1.67	1.53
Missouri.....	3.74	2.38	2.21	2.60	2.63	2.72	2.57	2.53	2.44
Ohio.....	5.05	6.46	4.90	4.47	5.83	4.96	4.63	5.27	6.59
Wisconsin.....	2.43	2.65	2.03	1.66	2.04	2.10	2.18	2.27	2.30
Northwest.....	5.56	6.79	3.21	5.95	6.12	5.52	6.59	5.30	5.40
Colorado.....	.87	1.14	.63	1.00	.04	1.10	1.02	.80	.80
Idaho.....	.30	.42	.37	.37	.43	.35	.36	.34	.78
Kansas.....	1.44	1.29	.73	1.36	1.01	1.38	1.63	1.27	1.18
Montana.....	.44	.41	.57	.57	.50	.43	.44	.39	.42
Nebraska.....	.97	.85	.40	1.08	1.03	.80	.92	.63	.67
North Dakota.....	.38	.20	.13	.89	.46	.32	.31	.48	.36
South Dakota.....	.40	.40	.21	.64	.56	.40	.42	.43	.39
Utah.....	.30	.63	.28	.42	.38	.40	.38	.46	.41
Wyoming.....	.22	.24	.10	.16	.23	.24	.24	.19	.21
Far West.....	11.41	13.67	11.70	10.59	10.47	12.52	9.38	9.88	11.62
California.....	3.85	6.94	7.08	7.77	7.64	6.13	6.62	7.11	8.68
Nevada.....	.13	.17	.00	.11	.14	.31	.12	.11	.14
Oregon.....	1.23	1.20	1.06	1.04	1.16	1.10	1.17	1.01	1.07
Washington.....	1.61	1.77	1.72	1.88	1.61	1.00	1.47	1.58	1.78
Coefficients of correlation:									
Firms related to income payments.....	.001	.073	.044	.061	.092	.080	.000
Firms related to human population.....	.073	.001	.090	.090	.088	.000	.000

1. Income payments figures were adjusted to a resident basis noted in footnote 1 to table 5 of "State Income Payments in 1953," SURVEY OF CURRENT BUSINESS, August 1954, p. 16.
2. Less than .005 percent.

Sources: All data except human population and land area, U. S. Department of Commerce, Office of Business Economics; human population and land area, Bureau of the Census.

population, as indicated by the coefficient of correlation shown at the bottom of the column.

The State distribution of mining and quarrying firms naturally does not correlate closely with the State distribution of income and of population. Although at least some quarrying firms are found in every State, the distribution of firms producing crude petroleum or mining coal or metal ores has to conform to the geographical distribution of the natural resources involved.

The concentration of apparel manufacturers in New York is also apparent from table 7. Concentrations of lumber and lumber products firms are marked in the Southeast but also occur in New England and the Far West, particularly in Oregon and Washington. The State distribution of firms in the other broad manufacturing categories as well as in the transportation group, in personal services and the various lines of retail trade, on the other hand, tends to follow the overall patterns.

Business turnover by States

For the period 1945-50, the State and regional distributions of new and discontinued businesses are shown in table 1 and of transferred businesses in table 2; the regional distributions of business turnover for the years 1944 and 1951-53 appear in table 3.

Discontinued businesses refer to all closures regardless of reason, while new businesses include all newly established firms. While all business failures are included in discontinued businesses, it should be noted that comparatively few of these are bankruptcies and that only about half go out of business in order to prevent or minimize a loss.

The purchase and sale of an existing firm is regarded as a business transfer, and is excluded from both the new and discontinued business series. Transfers also include business reorganizations and changes from one type of organization to

Table 5.—Number of Firms in Operation Jan. 1, by Major Industry Divisions, and by States and Regions, 1945-51¹

(Thousands)

	Contract construction						Manufacturing						Wholesale trade					
	1945	1946	1947	1948	1949	1950	1945	1946	1947	1948	1949	1950	1945	1946	1947	1948	1949	1950
Continental United States.....	166.1	199.6	268.1	310.3	333.5	362.6	253.2	264.9	302.6	315.4	322.5	317.4	322.0	386.0	396.9	412.7	424.8	433.1
New England.....	14.2	17.1	22.5	25.0	28.4	30.9	21.0	22.5	25.6	25.3	27.6	28.4	12.0	12.8	14.8	16.3	15.4	15.5
Connecticut.....	3.7	4.6	6.3	7.2	7.9	8.1	3.0	3.8	4.1	4.7	4.0	5.0	1.0	2.1	2.6	2.7	2.7	2.9
Maine.....	1.2	1.4	2.0	2.2	2.4	2.4	2.0	2.0	2.3	2.5	2.5	2.4	1.2	1.1	1.3	1.2	1.2	1.2
Massachusetts.....	7.8	7.9	11.0	11.8	13.1	12.9	13.7	10.5	10.6	12.4	12.4	12.7	7.2	7.7	9.0	9.1	9.2	9.3
New Hampshire.....	.9	1.1	1.0	1.5	1.6	1.9	2.0	1.4	1.4	1.6	1.7	1.8	.4	.5	.5	.6	.6	.6
Rhode Island.....	1.1	1.4	1.8	2.0	2.3	2.5	2.0	2.4	2.6	2.7	2.8	2.8	1.0	1.1	1.2	1.3	1.3	1.3
Vermont.....	.6	.6	.9	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.2	.3	.3	.4	.4	.4	.6
Middle East.....	44.2	53.3	68.8	78.0	84.9	87.6	80.5	89.5	101.3	104.4	106.6	104.1	66.3	67.1	78.2	80.7	80.5	81.8
Delaware.....	.6	.6	.8	.9	1.1	1.1	.5	.6	.8	.6	.6	.6	.3	.3	.4	.4	.4	.4
District of Columbia.....	1.1	1.2	1.6	1.8	1.7	1.7	1.9	.6	.6	.6	.6	.7	.0	.9	1.1	1.2	1.2	1.2
Maryland.....	2.6	3.2	4.4	4.9	5.4	5.5	5.8	2.9	3.2	3.3	3.8	3.4	2.8	2.7	3.0	3.1	3.2	3.3
New Jersey.....	6.6	10.2	13.1	14.6	16.1	17.0	18.4	10.0	11.0	12.8	13.3	13.8	14.1	16.2	17.7	17.9	17.4	17.5
New York.....	18.6	21.5	28.2	30.0	34.2	34.8	30.7	33.9	42.8	44.5	45.2	42.8	28.5	33.4	40.7	41.2	40.7	40.0
Pennsylvania.....	11.7	13.9	18.0	21.7	24.1	24.5	18.2	18.5	18.8	19.7	20.5	20.1	11.8	12.8	14.7	16.1	15.3	15.3
West Virginia.....	1.1	1.3	1.9	2.2	2.4	2.5	2.6	1.9	2.1	2.2	2.4	2.5	1.1	1.3	1.5	1.7	1.7	1.9
Southeast.....	16.9	22.6	31.9	38.0	42.6	45.6	35.8	37.6	44.2	46.2	47.7	47.4	22.8	26.8	32.0	34.1	35.5	37.8
Alabama.....	1.1	1.5	2.1	2.3	2.6	2.8	3.0	3.6	4.4	4.4	4.4	4.5	1.0	2.2	2.7	2.7	2.9	3.0
Arkansas.....	.7	1.1	1.6	1.8	1.9	2.0	2.1	2.0	2.9	2.8	2.9	2.7	1.3	1.5	1.8	2.0	2.1	2.2
Florida.....	2.8	4.0	6.0	7.5	8.1	8.8	9.8	3.4	3.5	4.3	4.7	5.0	3.0	3.0	4.4	4.7	4.8	5.2
Georgia.....	1.6	2.1	2.1	3.5	3.8	3.9	4.6	4.0	6.0	6.1	6.2	6.3	2.6	3.1	3.8	4.1	4.1	4.3
Kentucky.....	1.6	2.8	2.7	3.4	3.0	4.8	4.4	2.3	2.4	2.7	2.8	3.0	2.0	2.3	2.6	2.7	3.0	3.1
Louisiana.....	1.4	1.9	2.7	3.4	3.7	5.0	2.4	2.6	3.0	3.5	3.7	3.6	2.1	2.5	3.0	3.3	3.5	3.7
Mississippi.....	.6	.9	1.3	1.6	1.8	1.9	2.0	2.5	2.6	3.1	3.2	3.0	1.1	1.4	1.7	1.9	1.9	2.1
North Carolina.....	1.9	2.4	3.0	4.4	4.7	5.2	5.8	6.4	6.7	6.8	6.9	7.1	2.0	3.3	4.1	4.2	4.3	4.4
South Carolina.....	.9	1.0	1.5	1.9	2.3	2.3	2.2	2.3	2.5	2.8	2.9	2.9	1.2	1.5	1.7	1.8	1.9	2.1
Tennessee.....	1.7	2.3	2.9	3.6	3.8	4.3	4.7	3.4	3.6	4.3	4.3	4.5	2.4	2.5	3.3	3.5	3.6	3.9
Virginia.....	2.7	3.3	4.0	5.5	6.3	6.4	6.8	3.9	4.0	4.6	4.7	4.8	2.4	2.6	3.0	3.2	3.4	3.4
Southwest.....	10.9	14.5	19.9	23.7	26.3	27.6	9.8	10.4	12.6	13.3	13.7	13.7	14.0	11.0	14.1	16.5	17.8	18.4
Arizona.....	.8	1.2	1.8	2.4	2.4	2.3	.5	.5	.7	.8	.8	.8	.5	.8	.9	1.1	1.1	1.1
New Mexico.....	.6	.7	1.1	1.3	1.4	1.0	.4	.5	.6	.6	.6	.6	.7	.5	.7	.7	.8	.8
Oklahoma.....	1.8	2.3	3.1	3.8	3.8	4.3	1.8	1.5	2.1	2.2	2.4	2.3	2.3	2.8	3.2	3.4	3.5	3.6
Texas.....	7.8	10.2	13.9	16.9	17.5	19.4	7.1	7.7	8.2	9.7	9.9	10.0	10.2	8.5	10.0	12.7	12.6	14.0
Central.....	47.0	57.7	73.4	88.2	82.8	90.4	68.7	68.4	76.3	78.7	80.8	79.3	60.2	61.6	66.1	68.1	67.8	68.8
Illinois.....	12.2	13.6	16.3	18.8	20.3	21.0	17.2	17.6	19.7	20.6	21.0	20.5	14.1	15.0	17.2	18.1	18.2	18.5
Indiana.....	4.0	5.6	6.4	7.0	6.7	8.7	5.2	5.4	6.1	6.3	6.0	6.4	4.8	4.0	4.3	4.8	4.8	5.6
Iowa.....	3.1	3.0	4.8	6.8	6.5	6.7	7.1	3.3	3.2	3.4	3.6	3.7	4.0	4.1	4.7	4.8	4.9	5.2
Michigan.....	7.2	9.1	11.0	13.0	14.6	12.9	10.5	10.9	12.3	12.7	12.0	12.0	13.0	6.5	7.3	8.3	8.5	9.3
Minnesota.....	3.3	3.9	5.4	6.0	7.2	7.3	8.2	6.3	6.7	6.9	6.1	5.0	6.0	4.1	4.4	5.1	5.4	5.7
Missouri.....	4.3	6.1	6.6	7.2	7.5	8.2	5.0	5.0	6.8	6.9	7.2	7.0	7.1	4.1	4.4	7.2	7.3	7.6
Ohio.....	9.0	11.6	14.3	16.7	18.4	19.0	12.0	12.3	14.2	14.2	14.8	14.0	14.5	8.7	9.0	11.0	11.8	12.0
Wisconsin.....	4.0	5.3	7.7	8.7	9.3	9.5	10.0	7.4	7.6	8.1	8.3	8.5	8.6	4.0	4.4	5.0	5.2	5.3
Northwest.....	7.3	9.7	12.8	16.4	17.6	19.4	7.8	8.3	8.4	10.1	10.2	10.3	10.4	11.3	13.2	13.9	14.7	15.4
Colorado.....	1.9	1.9	2.7	3.2	3.1	3.8	3.6	1.6	1.9	2.1	2.1	2.2	2.3	1.7	1.9	2.3	2.6	2.7
Idaho.....	.4	.7	1.1	1.3	1.2	1.5	.6	.6	.8	.9	.9	.9	.9	.7	.8	.8	.9	1.0
Kansas.....	1.7	2.2	3.1	3.6	4.6	4.3	3.9	2.0	2.2	2.4	2.4	2.4	2.4	3.3	3.0	3.4	3.5	3.6
Kentucky.....	.6	.7	1.1	1.3	1.4	1.5	.5	.5	.8	.8	.8	.8	.8	.7	.8	.9	1.0	1.0
Nebraska.....	1.9	1.7	2.4	2.9	3.9	3.4	3.3	1.4	1.6	1.6	1.6	1.6	1.6	2.3	2.4	2.9	2.8	2.9
North Dakota.....	.4	.4	.6	.8	.9	.9	1.1	.4	.4	.4	.4	.4	.4	1.1	1.3	1.5	1.5	1.6
South Dakota.....	.7	.7	.8	1.2	1.4	1.5	.6	.4	.4	.4	.4	.4	.4	1.1	1.1	1.2	1.3	1.4
Utah.....	.7	.9	1.4	1.5	1.6	1.6	.9	.6	.6	.6	.6	.6	.6	.7	.9	.9	1.0	1.1
Wyoming.....	.3	.4	.6	.7	.8	.9	.3	.3	.3	.3	.3	.3	.3	.3	.4	.4	.4	.4
Far West.....	16.4	25.1	37.1	42.3	47.1	47.5	25.0	26.5	32.6	36.4	37.0	38.5	37.8	16.3	19.8	24.1	25.6	27.5
California.....	13.8	18.4	27.4	32.0	36.0	36.0	17.9	18.4	22.1	25.5	26.3	26.8	28.8	12.4	14.0	18.1	19.5	20.2
Nevada.....	.3	.5	.5	.6	.7	.7	.1	.1	.2	.2	.2	.2	.2	.1	.2	.2	.3	.3
Oregon.....	1.7	2.6	3.7	4.2	4.0	4.5	2.7	2.8	5.1	6.9	6.9	6.9	6.3	1.6	1.8	2.2	2.2	2.7
Washington.....	2.8	3.9	5.5	6.8	8.0	8.3	4.0	4.3	5.2	6.8	6.6	6.6	6.0	2.4	2.0	3.5	3.8	4.1

1. The State and regional distributions of new, discontinued and transferred businesses by major industry divisions are not shown in this article but may be obtained upon request.

2. Includes mining and quarrying; transportation, communication and other public utilities; and finance, insurance and real estate.

another such as a change from a partnership to a sole proprietorship.

The total number of business births increased sharply in 1945 and again in 1946—when more than 600,000 new businesses were formed—and declined almost as rapidly during the next two years. In 1949 the number of new businesses dropped to 330,000, about the same as in 1944 and slightly below the number formed last year. New businesses numbered nearly 365,000 in both 1951 and 1952.

Except for the years 1949-51 when a few differences emerge, the year-to-year movements in number of new businesses were relatively similar in each of the regions. Furthermore, there is a marked tendency for each of the States to follow the same pattern of movement in number of new businesses, even though the percentage changes may be quite different.

Discontinued businesses numbered 175,000 in 1944 and again in 1945, and increased in each of the next three years

to about 280,000 in 1948. From 1948 through 1952 the annual number of discontinued businesses fluctuated within the comparatively narrow range between 280,000 and 310,000. Last year the number of business discontinuances increased nearly 10 percent over 1952.

In general the regions and the States follow the national year-to-year movements in number of discontinued businesses. The degree of correspondence, however, is somewhat less than in the case of new businesses.

The number of transferred businesses last year was about the same as in 1944. As in the case of business births, transfers reached a peak in 1946, after which the number of transfers declined each year.

The conformity of the year-to-year changes in number of transferred businesses within the States and regions to the movements of the national total is even more striking than the correspondence found for new and discontinued businesses.

Table 5.—Number of Firms in Operation Jan. 1, by Major Industry Divisions, and by States and Regions, 1945-51—Continued

	Retail trade							Service industries							All other industries ¹						
	1945	1946	1947	1948	1949	1950	1951	1945	1946	1947	1948	1949	1950	1951	1945	1946	1947	1948	1949	1950	1951
Continental United States.....	1,366.2	1,468.4	1,522.0	1,730.0	1,762.7	1,662.8	1,820.9	567.6	613.9	686.9	728.0	738.9	736.1	733.0	472.3	498.3	524.3	531.3	537.2	541.7	
New England.....	97.8	102.3	114.8	113.4	121.1	121.0	122.2	37.4	40.1	46.4	47.7	47.9	46.5	45.9	25.1	29.1	31.4	31.3	31.7	31.1	
Connecticut.....	21.3	23.4	28.9	27.6	30.0	27.8	27.8	7.9	9.1	10.3	11.1	10.0	10.0	10.7	5.5	6.0	6.1	6.3	6.3	6.1	
Maine.....	10.3	10.7	11.9	12.1	12.4	12.8	12.8	3.0	3.0	4.6	4.6	4.4	4.2	4.3	2.0	2.0	2.0	2.3	2.4	2.2	
Massachusetts.....	47.5	48.7	55.0	57.3	57.7	57.7	57.4	19.1	19.7	23.4	23.6	22.0	22.5	22.6	10.1	10.8	10.4	10.0	10.0	10.2	
New Hampshire.....	6.9	6.5	7.2	7.5	7.7	8.0	8.3	2.3	2.0	2.0	2.0	2.0	2.8	2.8	1.9	2.0	2.0	2.0	2.0	2.0	
Rhode Island.....	8.4	8.9	9.4	10.1	10.4	10.2	10.2	2.8	3.1	3.4	3.7	3.0	3.7	3.8	1.8	2.0	2.0	2.1	2.1	2.1	
Vermont.....	2.7	4.1	4.5	4.8	4.9	5.3	5.5	1.7	1.8	1.9	2.0	2.0	2.0	2.0	1.1	1.2	1.3	1.3	1.4	1.4	
Middle East.....	229.9	231.0	292.6	277.6	232.1	233.4	233.4	141.3	151.2	177.4	183.8	183.2	182.0	185.0	102.3	103.3	106.0	105.0	105.0	105.0	
Delaware.....	3.4	3.6	3.8	4.2	4.2	4.3	4.3	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.4	1.5	1.5	1.5	1.4	1.4	
District of Columbia.....	7.0	7.3	8.0	8.2	8.4	8.1	8.1	5.6	5.0	5.0	5.0	5.1	5.8	5.8	4.1	4.2	4.4	4.5	4.6	4.0	
Maryland.....	17.8	19.0	20.9	22.4	23.6	23.7	21.3	7.4	8.0	8.0	8.3	9.3	9.1	9.2	5.5	5.9	6.6	6.5	6.8	6.8	
New Jersey.....	61.0	56.1	61.5	65.4	67.1	60.7	60.7	18.4	20.0	22.0	23.0	24.3	24.0	24.6	18.0	18.9	19.7	19.0	20.0	20.1	
New York.....	182.3	164.0	181.8	190.0	197.4	197.7	171.3	71.8	75.0	83.8	86.4	91.5	92.4	93.2	50.2	54.3	57.0	58.4	57.5	58.3	
Pennsylvania.....	85.0	91.2	101.7	109.4	112.0	113.7	114.6	22.4	25.1	29.6	32.0	34.0	34.3	34.3	20.3	21.1	22.4	24.0	23.8	24.2	
West Virginia.....	12.6	12.2	16.2	17.1	17.7	18.2	18.4	5.0	5.4	5.9	6.5	6.0	6.0	6.3	3.3	3.6	3.8	3.8	4.0	4.0	
Southeast.....	208.4	219.3	229.6	271.6	282.5	293.2	291.7	68.4	64.0	106.6	114.4	117.5	119.4	121.6	51.1	55.2	60.5	63.6	64.9	68.1	
Alabama.....	17.7	18.7	21.7	22.5	23.3	24.2	24.8	7.5	7.9	9.3	9.5	9.0	9.6	9.6	4.3	4.7	5.3	5.5	5.6	5.0	
Arkansas.....	13.8	14.7	16.8	17.8	17.8	18.4	18.7	6.4	6.7	6.4	6.8	6.7	6.8	6.7	3.0	3.3	3.3	3.4	3.4	3.5	
Florida.....	23.4	20.4	30.6	35.0	35.7	37.1	38.3	11.8	13.5	15.3	17.4	18.3	19.2	20.0	6.5	7.4	8.9	8.8	9.1	10.1	
Georgia.....	22.0	23.0	27.1	28.0	29.0	30.2	30.9	10.9	10.9	11.8	12.3	12.5	12.8	12.9	4.8	5.2	5.8	5.9	5.9	6.3	
Kentucky.....	17.0	19.3	21.7	23.8	25.1	25.8	27.0	7.4	7.9	8.9	9.4	9.7	9.4	9.6	5.0	5.2	5.9	5.9	5.7	7.7	
Louisiana.....	17.0	18.0	21.2	24.1	25.6	26.7	26.8	6.7	7.1	8.3	9.3	9.6	9.6	9.6	4.4	4.9	5.5	5.9	6.0	6.0	
Mississippi.....	12.5	13.5	14.8	16.2	16.5	17.2	17.0	4.4	4.7	5.7	5.0	5.7	5.9	5.9	2.1	2.3	2.5	2.8	2.4	2.7	
North Carolina.....	23.0	23.0	28.1	30.7	31.6	33.5	34.0	11.1	11.4	13.3	11.3	14.6	14.9	15.0	5.1	5.5	6.3	6.3	6.6	6.8	
South Carolina.....	13.5	14.3	18.1	17.8	18.0	18.9	18.4	5.1	5.4	5.9	6.4	6.6	6.7	6.9	2.8	2.7	2.9	3.0	3.1	3.1	
Tennessee.....	22.7	22.0	28.4	28.1	29.1	30.3	30.7	9.4	9.8	10.7	11.4	11.5	11.7	11.5	5.5	5.8	5.9	6.0	6.2	6.3	
Virginia.....	21.4	22.0	25.8	28.1	30.8	31.6	33.4	10.1	10.2	11.1	12.0	12.9	13.2	13.2	7.1	7.5	7.9	8.5	9.1	9.0	
Southwest.....	29.5	106.3	126.7	129.5	132.9	137.1	140.4	40.4	52.5	59.1	63.4	65.6	65.2	68.0	35.4	33.2	35.1	36.4	37.1	38.1	
Arizona.....	5.5	5.1	7.3	8.4	8.8	9.0	9.1	3.0	3.4	4.0	4.8	4.7	4.7	4.0	1.3	1.5	1.7	1.9	1.8	1.0	
New Mexico.....	5.1	5.8	6.6	7.1	7.5	7.8	8.1	2.6	2.9	3.3	3.7	3.8	3.8	3.8	1.4	1.4	1.6	1.7	1.8	1.0	
Oklahoma.....	18.0	20.0	23.0	24.2	24.7	25.1	25.0	8.0	8.7	10.4	11.2	11.2	11.3	11.4	5.8	7.5	7.7	7.8	8.0	8.4	
Texas.....	70.0	76.5	82.5	89.8	92.0	95.2	97.0	34.9	37.3	41.2	43.8	43.0	45.4	45.1	20.8	22.8	24.0	25.0	26.4	27.3	
Central.....	490.5	437.6	477.2	502.5	515.7	516.5	491.8	151.7	183.5	194.1	180.1	191.6	198.5	195.0	135.8	145.5	150.4	153.1	153.8	161.9	
Illinois.....	93.1	101.4	107.2	113.7	115.3	114.3	113.1	38.3	40.6	43.0	45.8	45.6	46.1	44.3	61.5	63.0	62.9	63.5	61.9	61.2	
Indiana.....	40.2	42.3	46.3	49.0	50.4	50.6	51.1	13.0	15.0	16.3	17.2	17.3	17.0	16.8	10.6	11.1	11.7	11.7	11.5	11.9	
Iowa.....	30.3	32.6	30.2	38.4	38.2	40.3	40.7	9.8	10.7	12.1	12.4	12.4	12.0	11.5	9.5	9.9	10.5	10.6	10.7	10.7	
Michigan.....	59.8	56.1	72.0	70.0	78.2	70.0	70.0	21.0	23.8	27.0	28.3	28.4	29.1	28.5	13.0	14.3	15.3	16.0	15.0	15.2	
Minnesota.....	31.0	32.4	35.8	37.9	38.5	39.0	39.4	10.7	11.6	13.2	13.7	13.4	12.8	12.4	9.1	9.4	9.9	10.1	10.2	10.2	
Missouri.....	42.5	44.0	40.9	49.5	50.5	51.2	51.5	17.7	18.4	19.8	20.2	20.2	20.2	20.2	10.9	10.9	10.9	10.9	10.9	10.9	
Ohio.....	74.1	78.2	87.2	91.5	95.7	90.1	97.0	27.2	29.0	33.0	35.5	30.9	30.8	30.2	20.0	21.5	23.1	23.6	24.5	24.1	
Wisconsin.....	37.0	40.9	44.0	45.4	47.5	48.0	49.1	12.4	13.8	15.1	16.0	16.4	16.0	16.4	10.2	10.8	11.3	11.5	11.7	11.7	
Northwest.....	81.5	89.3	98.9	105.3	107.1	110.9	111.5	32.8	35.8	40.3	42.3	42.0	41.2	40.5	30.0	27.0	29.3	29.0	29.9	30.4	
Colorado.....	11.7	13.1	14.7	15.5	16.0	16.2	16.3	5.8	6.3	7.3	7.8	7.9	8.1	8.0	4.0	4.5	5.1	5.3	5.3	5.5	
Idaho.....	8.2	8.9	8.8	7.1	7.4	7.4	7.4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	1.5	1.5	1.5	1.5	1.5	1.5	
Kansas.....	21.8	22.9	26.0	27.4	27.7	28.0	28.0	7.8	8.0	10.1	10.6	10.3	10.2	10.1	7.0	7.5	7.9	8.2	8.3	8.3	
Montana.....	8.9	7.5	8.3	8.0	8.0	8.1	8.1	2.7	3.0	3.3	3.4	3.5	3.2	3.1	2.4	2.4	2.5	2.5	2.5	2.4	
Nebraska.....	15.3	16.6	18.3	19.1	19.3	19.7	20.7	5.3	5.8	6.5	6.8	6.7	6.6	6.5	4.4	4.7	5.1	5.0	5.0	5.0	
North Dakota.....	5.1	5.4	7.1	7.7	8.0	8.1	8.3	2.1	2.2	2.6	2.6	2.6	2.4	2.3	1.0	1.7	1.8	1.7	1.7	1.7	
South Dakota.....	7.3	7.9	8.3	8.0	8.2	8.7	9.7	3.0	3.4	3.8	3.8	3.8	3.2	3.1	1.0	1.8	1.9	2.2	2.3	2.3	
Utah.....	4.7	5.3	6.3	6.6	6.7	6.9	6.9	2.2	2.5	2.9	3.1	3.0	3.0	3.0	1.0	1.7	1.7	1.8	1.9	1.9	
Wyoming.....	2.5	3.2	3.6	3.6	3.9	4.0	4.2	1.3	1.6	1.7	1.8	1.8	1.8	1.8	1.0	1.1	1.2	1.2	1.3	1.3	
Far West.....	131.7	148.0	171.2	184.7	191.0	199.9	198.9	67.0	75.5	80.3	81.7	82.7	81.4	81.8	41.8	45.4	49.2	50.3	49.5	51.1	
California.....	85.0	104.0	124.8	134.5	139.8	137.4	137.8	40.3	50.4	54.7	60.1	61.1	60.3	60.8	30.0	32.0	36.3	36.7	35.0	36.1	
Nevada.....	1.7	2.0	2.4	2.4	2.5	2.6	2.6	1.1	1.3	1.4	1.5	1.5	1.5	1.5	0.5	0.5	0.5	0.5	0.5	0.5	
Oregon.....	13.9	16.0	17.4	18.4	20.7	20.0	20.2	7.2	7.2	8.1	8.9	8.9	8.9	8.9	4.5	4.7	4.9	4.9	4.9	4.9	
Washington.....	20.5	22.9	26.7	28.4	29.1	29.4	29.3	9.4	10.0	12.0	12.4	12.2	12.1	12.1	6.8	7.3	7.8	7.8	7.9	8.0	

Source: U. S. Department of Commerce, Office of Business Economics estimates based primarily on data from the U. S. Department of Health, Education, and Welfare, Bureau of Old-Age and Survivors Insurance.

